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UNITED STATES DISTRICT COURT
 NORTHERN DISTRICT OF CALIFORNIA
 SAN FRANCISCO DIVISION

UNITED STATES OF AMERICA,
 Plaintiff,
 v.
 DALE SCOTT HEINEMAN and KURT F.
 JOHNSON, d/b/a THE DOREAN GROUP,
 THE OXFORD TRUST and UNIVERSAL
 TRUST,
 Defendants.

No. C 05-2730 WHA

~~[PROPOSED]~~ ORDER SETTING
 PROCEDURE FOR REQUESTS TO
 MODIFY INJUNCTION FOR
 BORROWERS TO SEEK RETURN OF
 PROPERTY INTERESTS CONVEYED
 TO DEFENDANTS HEINEMAN &
 JOHNSON

WHEREAS, the Court in the above-captioned action issued an Order Granting Preliminary Injunction pursuant to 18 U.S.C. § 1345, dated August 1, 2005 ("Preliminary Injunction"), enjoining defendants Heineman, Johnson, the Dorean Group, its brokers, agents and employees from, *inter alia*, any further engagement in a debt elimination program;

WHEREAS, a number of borrowers, or counsel representing borrowers, have inquired with the U.S. Attorney's Office about a modification of the Preliminary Injunction to allow them to cure defects in title to their properties caused by defendants' debt elimination scheme;

WHEREAS, such a modification is sought for the limited purpose of returning the property interests the borrowers conveyed, respectively, to Heineman and Johnson, as purported

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trustees of so-claimed “family trusts” under this debt elimination program;

WHEREAS, the government is agreeable to a case-by-case review of applications for modifications of the Preliminary Injunction, given the spectrum of culpability amongst borrowers in this case.

Accordingly, IT IS HEREBY ORDERED that

(1) Pursuant to 28 U.S.C. § 636(b)(1), Magistrate Judge Maria-Elena James is hereby designated to hear and determine requests by borrowers to modify, for the limited purpose set forth above, the Preliminary Injunction to allow such borrowers the opportunity to cure defects in title to their properties caused by defendants’ debt elimination scheme.

(2) Borrowers seeking to so modify the Injunction, and any interested parties, shall follow the following procedure:

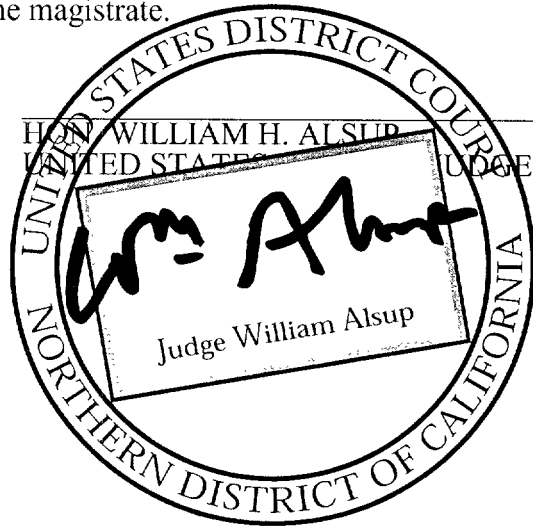
(A) The borrower shall file a “Request to Modify the Preliminary Injunction for [Property Address]” (the “Request”). This Request shall briefly state, in no more than 5 pages, the reasons for the sought modification, and shall describe the proposed transaction with sufficient particularity as to allow a determination on the Request. A copy of this Request shall be served by mail to: (1) Dale S. Heineman, 12152-081, FCI Dublin Correctional Facility, 5701 8th Street, Camp Parks, Dublin, California 94568; (2) Kurt F. Johnson, 13177-081, FCI Dublin Correctional Facility, 5701 8th Street, Camp Parks, Dublin, California 94568; (3) lenders with secured interests in the real property identified as the Property Address (above); (4) counsel for the government in the related criminal case (No. CR 05-0611 WHA), Peter B. Axelrod and James E. Keller, United States Attorney’s Office, Northern District of California, 450 Golden Gate Avenue, 11th Floor, San Francisco, California 94102; and (5) counsel for the government in this civil action, Steven J. Saltiel, Civil Division, United States Attorney’s Office, 450 Golden Gate Avenue, Box 36055, San Francisco, California 94102.

(B) The recipients identified in Paragraph 2(A) above will have 45 days from the time of the mailing of the Request to file a Response opposing, unopposing, or taking no position as to the Request. Responses to a Request must state the grounds for oppositions thereto, if any, and may not exceed 5 pages in length. The magistrate may, in his or her discretion, base the

1 proposed determination solely on the written submissions of the interested parties, or on the
2 submissions and a hearing. The parties that object to a Request shall be afforded an opportunity
3 to attend any hearing held pursuant to this Order.

4 (C) The magistrate shall file his or her proposed findings and recommendations with the
5 Court, and a copy shall be mailed to all interested parties. The magistrate's determination shall
6 be subject to de novo review as set forth in 28 U.S.C. § 636(b)(1). Accordingly, within ten days
7 of being served with a copy, any party may serve and file written objections to the proposed
8 findings and recommendations. This Court may then accept, reject, or modify, in whole or in
9 part, the findings and recommendations made by the magistrate.

10 DATED: 6/21/06



CERTIFICATE OF SERVICE

The undersigned hereby certifies that she is an employee of the Office of the United States Attorney for the Northern District of California and is a person of such age and discretion to be competent to serve papers. The undersigned further certifies that she is causing a copy of the following:

**[PROPOSED] ORDER SETTING PROCEDURE FOR REQUESTS TO MODIFY
INJUNCTION FOR BORROWERS TO SEEK RETURN OF PROPERTY INTERESTS
CONVEYED TO DEFENDANTS HEINEMAN & JOHNSON**

to be served this date upon the party(ies) indicated below at the address(es) shown:

Dale Scott Heineman, Pro se
12152-081
FCI Dublin Correctional Facility
5701 8th Street
Camp Parks
Dublin, CA 94568

Kurt F. Johnson, Pro se
13177-081
FCI Dublin Correctional Facility
5701 8th Street
Camp Parks
Dublin, CA 94568

√ **BY FIRST CLASS MAIL** by placing a true copy thereof in a sealed envelope with postage thereon fully prepaid in the designated area for outgoing U.S. mail in accordance with this office's practice.

 BY PERSONAL SERVICE (BY MESSENGER): I caused such envelope to be delivered by hand to the person or offices of each addressee above.

 BY FACSIMILE (FAX): I caused each such document to be sent by facsimile to the person or offices of each addressee above.

 BY E-MAIL: I caused each such document to be sent by e-mail to the person or offices of each address above.

 BY FEDERAL EXPRESS

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed this 6th day of June, 2006 at San Francisco, California.

 /s/
KATHY TERRY
Legal Assistant